

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 N Park
Helena MT 59620
Personnel Committee Meeting
Thursday May 10, 2007
12:00 PM

Committee Members: Elizabeth Nedrow Chair, N. Jay Klawon
and John Paull; all members were present.

Staff: Roxanne Minnehan, Melanie Symons, and Scott Miller

Other Attendees: Anna Garza, Executive Assistant

Public Comment – *No public comment.*

Negotiation Team (members include)

Personnel Committee Elizabeth Nedrow, Chair, Jay Klawon and John Paull

MPERA Management Melanie Symons, Legal Counsel, Scott Miller, Legal
Counsel and Roxanne Minnehan, Executive Director

MPERA Staff Shelly Pardis, Sheri Mitchell, and Kathy Herbel

DOA Staff Kathleen Field, HR and Greg Martin, Labor Relations

MPEA Representative Stacey Bird

Minute Approval

Mr. Jay Klawon moved to approve the minutes of the last two Personnel Committee meetings.
Mr. John Paull seconded the motion. The motion carried 3 to 0.

Meeting Summary

The meeting was called to discuss negotiations between the MPEA and PERB/MPERA. PERB/MPERA went over its counter proposals to the Union's proposals prior to the Union representatives joining the meeting. The Union representatives provided management with their counter proposals. Management presented the Union representatives with PERB/MPERA's proposals. The Union representatives left the meeting to caucus. Upon return, the Union discussed the PERB/MPERA counter proposals and presented management with a package proposal. PERB/MPERA discussed the MPEA package proposal and presented them, which were then discussed by all.

MPEA-MPERA/PERB Negotiations

Mr. Greg Martin went over management's response/counter proposals to the MPEA proposals prior to the Union representatives joining the meeting. PERB/MPERA proposals are:

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Proposal 1: Management holds. They still want the probationary period for new employees to be 1 year as opposed to 6 months.

Rationale: Provides ample time to review and ensure employee is able to perform the job duties. Especially during busy cycles.

Proposal 2: Management modified their proposal to include the underlined portions:

Job Vacancies: Whenever a vacancy or newly-created position occurs within the bargaining unit, the Employer will prepare a job notice and will post the opening internally for a minimum of five two working days prior to any public advertisement. Bargaining unit employees who submit an application within the two working days will be given three additional working days to complete any other requirements for the posted position. When internal applicants do not possess the desired qualifications, Management reserves the right to consider outside applicants.

Rationale: Allows agency to post externally quicker, if there is no interest in-house.

Proposal 3: Tentative Agreement

Rationale: Housekeeping.

Proposal 4: Management drops proposal. Stay with current contract language.

- (1) Promotions into positions in a higher pay band. A promoted employee will receive ~~at least~~ a 10 percent pay increase or move to the entry of the higher pay band, whichever is greater. ~~If the greater of the two is the entry of the higher pay band, the Executive Director, or designee, may pay an amount higher than entry if determined appropriate after considering criteria such as; the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; MPERA's ability to pay; the length of time the promoted employee has worked at MPERA; and the competitive labor market.~~ Future progression will be based on years of service in the current position.

Rationale: Management wanted to pay more to an in-house applicant with applicable MPERA experience over an outside applicant with no MPERA experience. Because the Union wasn't happy with the proposal it was dropped, due to other issues of higher priority.

Proposal 5: Management holds.

Section 12. 2008-09 pay raises: All employees will receive the statutory pay increases of 3% October 1, 2007, and October 1, 2008, as described in HB 13. MPERA will pool the 0.6% discretionary funds available October 1, 2007, and October 1, 2008, and use those funds to advance below-market employees to the employees' target market rate.

Management will utilize the market rates below for the term of this agreement and will continue using the Broadband Pay Plan Provisions in Addendum A of the current labor Agreement.

Rationale: The employee will receive a 3% increase each year of the biennium. The 0.6% is discretionary but can be used to bring individuals to their target market ratio. The Board has a statutory cap it cannot exceed. Bringing everyone to their target market ratio the first year more than exceeds the 0.6% for both years of the biennium. The Board has been very concerned with expenses compared to the budget cap.

Proposal 6: Tentative Agreement

Rationale: Housekeeping.

The Union representatives joined the meeting at approximately 12:35 p.m. Ms. Stacey Bird provided the Committee with the Union counter proposals:

Stating “no spirit of compromise which is why they are standing”.

Proposal 1: Reject

Proposal 2: Reject/Hold to Union Proposal dated 4/23/07

Whenever a vacancy or newly-created position occurs within the bargaining unit, the Employer will prepare a job notice and will post the opening internally for a minimum of five working days prior to any public advertisement. Pay Band 2 classifications do not have to be advertised according to sentence one. Applications received from bargaining unit employees will receive first consideration. When internal applicants do not possess the desired qualifications, Management reserves the right to consider outside applicants.

Proposal 3: Tentative Agreement.

Proposal 4: Reject/Hold to Union Proposal dated 4/23/07

- (1) Promotions into positions in a higher pay band. A promoted employee will receive at least a 10 percent increase or move to the entry of the higher pay band, whichever is greater. The Executive Director, or designee, may pay an amount higher than entry if determined appropriate after considering criteria such as; the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; MPERA's ability to pay; the length of time the promoted employee has worked at MPERA; and the competitive labor market with mutual agreement of the union. Further progression will be based on years of service in the current position.

Proposal 5: Reject/Hold to Union Proposal dated 4/23/07

Section 12. 2007-09 pay raises.

All employees will receive the statutory pay increases contained in HB 13 for the 2007-09 bienniums.

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Available 10/1/2007: Discretionary funds (0.6%) will be used to fund placement to target pay rate for eligible employees.

Available 10/1/2008: All employees will receive the 0.6%.

Ms. Bird stated it is clear that anything less than this proposal will be rejected by the members.

Proposal 6: Tentative Agreement.

Mr. Greg Martin then presented the Union representatives with the above noted PERB/MPERA proposals.

The Union representatives left the meeting at 12:47 p.m. to discuss PERB/MPERA's proposals.

The Union representatives rejoined the meeting at 1:08 p.m.

Ms. Bird presented the Committee with the following package proposal:

Proposal 1: Still reject.

Proposal 2: Add sentence: Bargaining unit employees who submit a letter of interest within two working days will have three additional working days to complete the application and any other requirements for the posted position.

Proposal 5: MPEA holds to 5/10/07 12 p.m. proposal.

The Union Representatives left the meeting at 1:12 p.m. for PERB/MPERA caucus.

The Committee discussed the package proposal. They were willing to accept MPEAs proposal 2 for vacancy postings. Still feel it would be better for the probationary period to be 1 year as opposed to 6 months. The possibility of doing 3 month and 6 month performance appraisals was discussed. The Committee wants to hold to their proposal 5. The overall package proposal was rejected.

The Union representatives rejoined the meeting at 1:22 p.m.

Mr. Greg Martin presented PERB/MPERA's position on MPEA's proposals.

There was no Tentative Agreement on the package proposal.

The Union representatives left the meeting at 1:25 p.m. to caucus. They rejoined the meeting at 1:40 p.m.

Ms. Bird presented MPEA's counter proposal, which was to hold to MPEA's package proposal.

Mr. Martin stated that the Committee feels that their initial proposal was fair; all the increases were offered the first half of the biennium. Ms. Minnehan interjected that she could see where it might look to the Union that we were taking a stand and not budging but that wasn't the case. We gave careful consideration to our proposal and we weren't playing games. We proposed the best, fairest offer up front. The Board has a statutory budget constraint that they must stay under.

Possibilities of different ways that the 0.6% could be distributed were discussed. One being, spreading the increases over the biennium to provide an increase in FY 09 but why wouldn't the employees want the increases the first year?

The Union representatives left the meeting at 1:45 p.m.

The Committee discussed the pending proposals.

The Union representatives rejoined the meeting at 2:07 p.m.

Mr. Martin presented to the Union PERB/MPERA's position to hold to their proposals. He reiterated the issue of the statutory budget cap. Additionally, he stated that the legislative intent was to allow some flexibility with the 0.6%, not necessarily to be distributed across the board.

Ms. Bird stated that the legislation did not limit the 0.6% increase to bringing employees up to market, she said that it was understood that some may want to apply it across the board.

Mr. Martin had a different understanding. He also stated that MPERA does not have the money; we are too close to the budgetary cap. Management is not against the employees, the offer that was proposed is the best that they can do at the present time.

Ms. Bird stated they needed to see the budget. Ms. Minnehan clarified that the budget for FY 08 has not been completed. The Union then asked for a copy of what was being used as budget projections for the next biennium. The information will be provided to the Union next week.

Committee Suggestions Concerns

The Committee's main concern with regards to the 0.6% increase distribution is the statutory budget cap. Management has made a fair proposal; it is the best that can be done with regards to the cap.

The Committee discussed that MPERA does not receive any money from the general fund. The increases come out of the retirement funds.

The Committee still believes that the 6 month probationary period is not an adequate amount of time to judge a new employees ability to do their job. They are still holding to increasing the probationary period to a year.

The Union and PERB/MPERA are going to hold to their counter proposals. Another negotiations meeting was tentatively scheduled for Monday, June 4, 2007 at 11:00 a.m.

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ADJOURNMENT

The next negotiation meeting is tentatively scheduled for June 4, 2007 at 11:00 a.m. There being nothing further to come before the committee, Ms. Nedrow adjourned the meeting at 2:30 p.m.